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SECURITY INFORMATION

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German Democratic Republic

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FDD Abstract

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OPERATION OF THE NEW GDR PAYMENTS SYSTEM; REPORT ON WORK STOPPAGE; MATERIALS SHORTAGES ( 3 pp;  
German; date of reports: [redacted]

[redacted]

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1. Report on the operation of the new GDR payments system. (This system was described in [redacted] abstracted by FDD on 27 ~~September~~ February 1952.) The system was put into full operation on 1 August 1952. The system, which operates on ~~cashless~~ the basis of cashless transfers, has caused immense difficulties, particularly in the payment of old debts ~~which~~ contracted before introduction of the new system. These difficulties are described in some detail. Walter Ulbricht, deputy minister president, has insisted on continuing the payments system in spite of all objections to it. People-owned enterprises receive preferred treatment in the settlement of invoices. The HO (Trade Organization) is the most serious bottleneck in the operation of the new payments system.

2. Report on the confiscation of consumer goods purchased in the Western Sector of Berlin by the People's Police from workers at the Premnitz Kunstseidenwerk (Artificial Silk Plant), Rathenow. This plant has a labor force of 5,000. As a result of the purchases the workers involved were sentenced to prison or penal servitude. The start of their sentence had to be delayed because there was no room for them in the penal institutions. As a result of the agitation of the sentenced men, the judge in the case had to appear before a plant workers' meeting to justify his action. His attempt to justify his course of action failed. He was ~~threatened~~ threatened with wrenches, etc. Some time around the end of August 1952 the workers stopped work in the plant. After a few days, the sentence was canceled, and subsequently the plant resumed operations.

3. a) Report on raw materials procurement for the Schott and Zeiss plants. If shipments of barium carbonate and other raw materials can be prevented from reaching ~~these~~ these plants, work in significant sectors of the plants would have to be stopped.

b) A government decree was published in the East Sachsen rural Kreise under which all outstanding tax arrears were to be collected by seizure [if necessary]. This decree was considered so urgent that the revenue offices of these Kreise ~~sent~~ sent out all their employees for one full week to collect tax arrears, particularly from farmers and small tradesmen in villages.

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[Foreign language document or microfilm of it (A-12215) is available from CIA Library, [redacted]

[redacted]

28 November 1952

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German Democratic Republic

FDD Abstract of MISCELLANEOUS INDUSTRIAL INFORMATION ON THE GDR (22 pp; German; dated May/July-September 1952;  
date of information: 

1) Seven-page report, dated 24 July 1952, on the Zwickau Black-Coal Administration. In accordance with the law of 20 March 1952, the former VVB's (Federations of People-Owned Enterprises) were changed to Administrations, that is, VVB's (Administrations of People-Owned Enterprises). ~~Accordingly~~ VVB Zwickau, with a personnel plan of 141, is regarded as a branch office of the State Secretariat for Coal and Power. The Zwickau Administration's functions are not operational but involve directing the production administration in accordance with general guiding principles.

The report lists the mines belonging to VVB Zwickau, giving brief comments as to how long they are expected to be workable, and furnishes information on various key administrative and technical personnel at VVB Zwickau, including details on their political affiliations. Also discussed in the report are the following: a) conditions in the shaft installations of the black-coal districts, including details on the shortage of workers, poor working conditions, shortage of mining equipment, increased accident rates because of the conversion to Soviet mining methods etc; b) disaster at the Martin Hoop Shaft on 19 April 1952, with an account of the causes and effects.

2) One-page report, dated 21 August 1952, with bits of information on production, personnel strength, material procurement, and key personnel at the VEB (People-Owned Enterprise) Boizenburg Wall and Floor Tile Factory, belonging to the VVB for Chemicals.

3) Four-page report, dated 11 August 1952, on production, personnel strength, material procurement, political views of workers, key administrative and technical personalities (both Soviet and German), and various production departments at the Berlin Brake Factory, a SAG (Soviet Corporation).

4) Two-page report, dated 29 May 1952, on the products (portable sewing machines, Diesel injection pumps, air rifles, turbine blades, etc.) and production of the five plants belonging to the Ernst Thaelmann Combine in Suhl.

5) One-page report, dated 29 May 1952, which lists the number and types of ships reportedly scheduled for production in 1953 by the GDR shipyards, excluding the SAG's. It is also pointed out that the Plath Firm in Hamburg delivers nautical instruments (via Amsterdam or Antwerp) to the GDR Sea Police.

6) Three-page report, dated 4 September 1952, on the organizational breakdown, production, bottlenecks, material procurement, and key personalities at the Bitterfeld Electrochemical Combine.

7) Two-page report, dated 6 September 1952, on the labor force, products and production, and workers' morale problems at the Ernst Thaelmann Heavy-Machine Building Plant, a SAG, in Magdeburg-Buckau. It is pointed out that the plant's entire production is shipped to the USSR.

8) Two-page report, dated 25 August 1952, on production and products, labor force, material procurement, workers' morale, and key personalities at the VEB Nordhausen Tractor Plant, belonging to IFA (VVB for Construction of Vehicles and Parts).

\* Vereinigung Volkseigener Betriebe

\*\* Verwaltung Volkseigener Betriebe

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